



State of Utah

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NEWS RELEASE

May 13, 2004

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ELECTRICITY FROM THE WIND: USDA FARM BILL SECTION 9006 PROVIDES FUNDING FOR FARM AND RANCH WIND PROJECTS

Jess Algers hasn't paid his electric bill since October 2003. And he couldn't be happier about it.

Algers, a farmer and rancher from Stanford, Montana, hasn't paid his electric bill since he installed a grid-tied Bergey 10- kilowatt (kW) wind turbine. He now produces more power than he uses, so his electric meter runs backward.

"The wind is free, so why not use it?" Algers said.

And although Algers' wind turbine wasn't free, his costs were greatly reduced when he applied for and received two grants to help defray the cost of the project. The first grant, a National Center for Appropriate Technology (NCAT) Universal System Benefits (USB) grant, is offered by the state of Montana. The second grant, a Section 9006 grant, is offered by the U.S. Department of Agriculture (USDA) to farmers and ranchers throughout the country under provisions in the 2002 Farm Bill.

According to Alger, the availability of the grants cemented his decision to pursue owning a wind turbine. The grants, along with a state tax credit and good financing, made the project affordable—and helped turn his electric bill into a distant memory.

Algers' project was one of 34 wind energy projects funded by the first round of Section 9006 grant awards. Farmers and ranchers interested in pursuing subsequent funding awards should start preparing their applications as soon as possible. Although the following overview provides basic information, interested parties can receive up-to-date information from the local rural energy coordinators at their respective USDA State Rural Development Offices. (A list of these rural energy coordinators is available at <http://www.rurdev.usda.gov/rbs/farmbill/contacts.htm>).

What is Section 9006 of the 2002 Farm Bill?

Section 9006 of the 2002 Farm Bill provides funding for renewable energy systems and energy efficiency improvement grants. On April 8, 2003, the USDA announced the availability of \$23 million in new federal grants for farmers, ranchers, and rural businesses to help purchase renewable energy systems and make energy efficiency improvements in 2003. Congress approved \$23 million for project funding for fiscal year 2004 as well, and the USDA is determining how the funds will be allocated. Local USDA rural energy coordinators have the latest details.

Who is eligible for funding?

An agricultural producer or rural small business that owns and controls the operation may be eligible for funding. Grant funding requires that the applicant demonstrate financial need. The funds cannot be used for research, development, land acquisition, or crop production.

What types of projects are eligible for funding?

Renewable energy projects include projects in which energy is derived from a wind, solar, biomass, or geothermal source or hydrogen derived from biomass or water using wind, solar, or geothermal energy sources. Energy efficiency improvements are improvements to a facility or process that reduce energy consumption.

What types of funding are available?

The USDA is working on rules that outline how the USDA will adhere to the requirements of Section 9006. The proposed regulation will cover grant, loan, and loan guarantee requirements. The USDA recently announced the opening of this year's program and how the funds totaling \$23 million will be apportioned. The deadline for funding distribution is September 30, 2004. Local USDA State Rural Development Offices have the latest details.

How can I apply?

All parties interested in pursuing available funding opportunities should work with the rural energy coordinators at the USDA State Rural Development Offices to prepare and submit applications. Further information can be found at www.rurdev.usda.gov/rbs/farmbill.

Jess Algers said that although he had to work "long and hard" last year on his grant applications, many people helped him through the process, and he's glad that he put in the effort to find the funding for his new turbine.

"Wind seems like the right answer," Algers said.

SIDEBAR: FOR MORE INFORMATION

- News and updates on the 2002 Farm Bill are available at www.rurdev.usda.gov/rd/farmbill/latest.html.

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- Information about additional energy grants provided for by the Farm Bill and about USDA's energy policy can be found at www.usda.gov/farmbill/ and www.usda.gov/energy/ respectively.
- NOFA application process, requirements, and state contacts are available at www.rurdev.usda.gov/rd/nofas/2003/rep040803.txt.
- Forms needed to apply for Section 9006 grants and other information are available at www.rurdev.usda.gov/rbs/farmbill/9006form.htm. Windustry offers information and updates for farmers interested in wind power at www.windustry.org/farmer/default.htm.

The Utah Wind Working Group prepared this article with information provided by the Department of Energy's Wind Powering America Program. For more information, please visit www.windpoweringamerica.gov or www.wind.utah.gov.

For more information about other energy resources in Utah, visit www.energy.utah.gov.

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